



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Chrystal Kornegay, Undersecretary

**Community Investment Tax Credit
Program**

NOTICE OF FUNDING AVAILABILITY

Issued:	December 22, 2015
Priority Response due:	January 26, 2016
Rolling Application period:	May 1– November 15, 2016

NOTICE OF FUNDING AVAILABILITY

Community Investment Tax Credit Program

I. INTRODUCTION

The Community Investment Tax Credit Program (CITC Program) was created by Chapter 238 of the Acts of 2012. The Department of Housing and Community Development (DHCD) is the administering agency for this Program and is responsible for managing the process by which the tax credits are allocated. The Department regulations for the program are found at 760 CMR 68.00.

The CITC Program is designed to enable local residents and stakeholders to work with and through community development corporations (CDCs) to partner with nonprofit, public, and private entities to improve economic opportunities for low and moderate income households and other residents in urban, rural, and suburban communities across the Commonwealth. CDCs accomplish this through adoption of Community Investment Plans (CIP) to undertake community development programs, policies and activities.

Under the program, CDCs and Community Support Organizations (CSOs) are eligible to apply to DHCD for selection as a Community Partner and receipt of an allocation of tax credits. First time allocation awards are based on DHCD's determination of the quality of the adopted CIP (in the case of a CDC) or Capacity Building Proposal (in the case of a CSO). Subsequent year allocation awards are based on DHCD's determination that the Community Partner is making adequate progress on its credit utilization and adequate progress implementing its CIP or Work Plan. Credits are allocated to Community Partners and they, in turn, provide credits to donors in exchange for qualified investments made to the Community Partner.

The Department has a total of \$6,000,000 in 2016 tax credits to award to selected Community Partners and now makes available \$4,500,000 in credits available to eligible CDCs in an initial application round. The remaining \$1,500,000, plus any balance of initial round credits, will be available on a rolling, first-come, first-serve basis beginning May 1, 2016, and no later than November 15, 2016, based on the criteria detailed in this NOFA.

CITC allocations will be available through calendar year 2019.

II. ELIGIBLE APPLICANTS

For both the initial and rolling application periods of tax credit allocation, qualifying applicants are limited to CSOs and the following categories of CDCs which have been certified by DHCD under the provisions of M.G.L Ch.40H:

- CDC or CSO seeking a first-time tax credit allocation; or
- CDC or CSO selected as a Community Partner and in receipt of 2014 credits that has utilized at least 95% of its 2014 award; or

- CDCs or CSOs selected as a Community Partner and in receipt of 2015 credits that has utilized at least 95% of its 2015 award.

CDCs certified after the priority due date for the initial application round may apply for a portion of the remaining \$1,500,000, plus any balance of initial round credits at any time during the rolling application period specified in this NOFA. DHCD reserves the right to make conditional awards and notes that all CDCs and CSOs are eligible to apply irrespective of their utilization rate at the time of application.

III. USE OF CREDIT ALLOCATIONS

Tax credit allocations awarded to a CDC selected as a Community Partner are available for use by the CDC to facilitate any authorized activity of the CDC and implementation of its Community Investment Plan.

Tax credit allocations awarded to a CSO selected as a Community Partner are available for use by the CSO to facilitate any authorized activity of the CSO. DHCD may require a selected CSO to assist DHCD-identified CDCs most in need of capacity building experience.

IV. CREDIT ALLOCATION AMOUNT

Eligible CDCs and CSOs seeking a 2016 tax credit allocation may make a tax credit allocation request between \$50,000 and \$150,000. The amounts awarded to individual Community Partners may vary. DHCD reserves the right to reduce the amount of the award from the requested amount. DHCD reserves the right to make conditional allocations. Additionally, DHCD reserves the right to reject any applications submitted.

CDCs or CSOs selected in the priority round of 2016 and awarded a tax credit allocation, in an amount less than the maximum allowable allocation (\$150,000), may, during the rolling application period of 2016, request an additional allocation of credits up to the maximum allowable cumulative amount of \$150,000.

Under the CITC program, pursuant to M.G.L. c. 63, Sec. 38EE, DHCD is required to ensure that minimum assistance levels are provided to Community Partners serving Gateway municipalities (as defined at M.G.L. c. 23A, Sec. 3A) and rural areas (a municipality with a population of less than 7,500 or a group of municipalities, 75% or more of which have populations of less than 7,500).

V. APPLICATION PROCESS

All applicant organizations must submit materials to DHCD comprised of responses to Sections I, IV, V, and additionally, Sections II & III, as applicable (depending on whether the applicant is requesting an initial tax credit allocation or the applicant is requesting a subsequent year allocation).

A. Submission Content

Section I: Cover Sheet

All applicants must submit a completed cover sheet (Exhibit 1) in hard copy with an original signature of the CEO of the applicant organization.

Section II. Community Investment Plan (CDC) or Capacity Building Proposal (CSO) (first-time tax credit allocation requests)

CDC applicants which have not previously received a tax credit allocation, must submit a completed Community Investment Plan. The CIP format must conform to the outline included in this NOFA (Exhibit 2).

A CIP is an organizational business plan that details a CDC's goals, outcomes, strategies, programs and activities for a 3 to 5 year period and its financial plans for supporting its strategy. CIPs will be valid, for CITC application purposes, for three years from date of initial application. A CIP must be designed to engage local residents and businesses to work together to undertake community development programs, projects and activities which develop and improve urban, rural or suburban communities in sustainable ways that create and expand economic opportunities for low and moderate income households.

The CIP serves to summarize, in nine elements, the overall community development approach taken in the CDC service area and benefitting the organization's constituencies. The CIP can reference various documents approved by the organization's Board, but *it is important that the CIP reflect a comprehensive, coherent approach to the CDC's community development priorities.*

The CIP may reference or incorporate findings of relevant plans and analyses that have been completed and used for decision-making purposes by the CDC. Such plans may include but are not limited to, strategic plans (economic development, housing, or neighborhood revitalization), market studies, needs assessments, and community organizing, leadership development or empowerment strategies.

Community development is defined as physical development, including affordable housing and commercial real estate development and preservation; community planning pertaining to physical and economic development; economic development, including business assistance and development; and asset development to build the economic capacity, mobility, and stability of low-income persons (e.g., homeownership assistance, financial education, foreclosure prevention, Individual Development Accounts (IDAs) and savings programs, and job training and creation programs).

CITC applications must document that a CIP was discussed and adopted by the Board of Directors of the applicant CDC. Adoption of the CIP may occur after submission of an application but must occur within 30 days of application. Compliance with this requirement must be documented by copies of meeting agendas, attendance lists and minutes. Minutes must reflect that the CIP was presented and discussed by the Board.

An applicant may submit a CIP and supporting adoption documentation that was previously developed within the past three years, however, all nine elements must be addressed in the prescribed format included in this NOFA. Changes in elements of the Plan may be made at any time but must be presented to, and adopted by, the Board of Directors, as above, prior to being included in a subsequent application for credits.

CSO applicants must submit a completed Capacity Building Proposal. The Proposal format must conform to the outline included in this NOFA (Exhibit 3).

The Proposal serves to summarize, in four elements, the ability of the CSO to provide effective capacity-building services to CDCs.

Section III: Community Partner Statement (CDCs or CSOs seeking a subsequent year allocation)

A CDC or CSO previously selected as a Community Partner is not required to submit a new CIP or Capacity Building Proposal, but must demonstrate at least 95% utilization of its previously allocated credits award(s). A Community Partner must also submit a statement demonstrating adequate progress implementing its CIP or Capacity Building Proposal. CIP and Capacity Building Proposals progress statements must reference specific elements in the approved plan on file with DHCD. Quarterly reports may be used to document credit utilization.

Section IV: Updated Board of Directors List

An applicant CDC seeking a first time tax credit allocation, must submit a current list of the members of the organization's Board of Directors.

Section V: Other Materials

All applicants may submit additional materials – press coverage, maps, charts, budgets and exhibits in support of an application as attachments. No more than ten (10) additional pages of attachments may be submitted.

A. Scoring Criteria

1. First-Time CDC Applicants

DHCD will review the submitted CIP and its individual elements to determine the overall quality of the Plan including completeness, whether the combined set of elements provides a coherent Plan document, and the history and track record of the CDC in accomplishing its goals and performing activities.

Maximum points that may be awarded for each element of the plan are listed below. See Exhibit 2 for additional detail regarding content of the Elements.

Does Not Meet	=	no points
Minimally Meets	=	35% of points (rounded to nearest ½ point)
Meets	=	65% of points (rounded to nearest ½ point)

Strong Response = 100% of points

Section 1

Community or Constituency(ies) to be served by the organization 7 points

Section 2

Involvement of community residents and stakeholders 20 points

Section 3

Plan goals 7 points

Section 4

Activities to be undertaken 7 points

Section 5

How success will be measured and/or evaluated 10 points

Section 6

Collaborative efforts to support implementation 10 points

Section 7

Integration of activities/consistency with community strategy and vision 7 points

Section 8

Financing strategy 12 points

Section 9

History, track record and sustainable development 20 points

Community Investment Plan Total 100 points

2. First-Time CSO Applicants

CSO proposals will be evaluated on the extent to which responses address the following criteria. Maximum points that may be awarded for each element of the proposal are listed below. See Exhibit 3 for additional detail regarding content of the Elements.

Does Not Meet = no points

Minimally Meets = 35% of points (rounded to nearest ½ point)

Clearly Meets = 65% of points (rounded to nearest ½ point)

Strong Response = 100% of points

Section 1

Proposed Workplan 25 points

Section 2

Effectiveness of the proposed activities 25 points

Section 3

Feasibility of proposed activities 25 points

Section 4

Availability of staff expertise to accomplish the workplan 25 points

3. Community Partner Applicant Criteria (seeking subsequent year credit allocation)

DHCD will review the CDC's or CSO's submission to determine that the Community Partner (1) has demonstrated at least 95% utilization of 2014 and/or 2015 credits, (2) has demonstrated adequate progress implementing its CIP or Capacity Building Proposal, (3) is in full compliance with its CITC program requirements and (4) has requested an allocation amount that does not exceed the maximum allowable cumulative amount of \$150,000 in 2016 credits (taking into account any amounts allocated in the first 2016 funding round when requested in rolling application period). Statements of credit utilization are subject to verification by DHCD.

B. Allocation determinations

First-Time Allocation

Tax credit allocations will be awarded in varying amounts based on DHCD's determination of the quality of the submitted CIP and the track record of the CDC. DHCD's allocation decisions will reflect the Department's determination that investment of tax credits in an organization is supported by the application materials submitted.

CDC and CSO applicants must receive at least fifty (50) percent of the available points to qualify for selection as a Community Partner and a \$50,000 minimum allocation of tax credits.

Allocation amounts greater than the minimum amount will generally be based on the range of scores received, such that:

- applications receiving at least 50 and up to 65 points may receive allocations of up to \$75,000,
- applications receiving at least 66 and up to 80 points may receive allocations of up to \$100,000,
- applications receiving at least 81 and up to 100 points may receive allocations of up to \$150,000.

Subsequent Year Allocations

Subsequent year allocations will be made to a previously selected Community Partner upon the DHCD's determination that the Community Partner applicant has utilized at least 95% of any subsequent year allocation(s), demonstrated adequate progress implementing its CIP or Capacity Building Proposal, and is current with all program reporting requirements.

DHCD reserves the right to make conditional credit allocations to previously selected Community Partners not meeting the requisite Community Partner Applicant criteria at the time of their 2016 application. Conditional awards will only be considered for applicants with a demonstrated track record of making adequate progress towards meeting the requisite applicant criteria.

Additional 2016 Allocations (applicable on and after May 1, 2016)

Additional allocations will be made, upon request, in varying amounts to CDCs previously awarded an initial 2016 tax credit allocation. Such additional allocation amounts will be made at the discretion of DHCD and based upon the cumulative availability of 2016 credits and determination that all submission criteria have been satisfactorily met.

C. Application Submission Procedures

Application and 2016 credit requests submitted by 3:00 PM on January 26, 2016, will be given priority status for review and allocation. 2016 applications and allocation requests received between May 1, 2016 and November 15, 2016 will be reviewed on a first-come, first-serve basis. No 2016 application and/or allocation requests will be accepted after November 15, 2016.

Applications should be submitted electronically as .pdf documents.

1. The completed application cover page (Exhibit 1) with the original signature in ink of the applicant's chief executive officer must be sent via U.S. mail or other delivery and postmarked by January 26, 2016. Cover pages should be sent to:

MA Department of Housing and Community Development
Division of Community Services
100 Cambridge Street, Suite 300
Boston, MA 02114
Attention: CITC Program

2. Applications should be emailed to: mark.southard@state.ma.us Fax submissions will not be accepted.
3. It is the responsibility of the applicant to ensure that its application is received by DHCD.
4. First-time CDC applications must be typed in 12 point font and contain a maximum eighteen (18) page CIP, ten (10) pages of other attachments, adoption documentation and the Cover page.

First-time CSO applications must be typed in 12 point font and contain a maximum eight (8) page Capacity Building Proposal, ten (10) pages of other attachments and the Cover Page.

Community Partner applications must be typed in 12 point font and contain a maximum five (5) page narrative, documentation of credit utilization, and the Cover page.

5. DHCD reserves the right to request additional information from applicants during the review process and to use other available information as may be necessary in order to complete its review.

6. Applicants are encouraged to consult with DHCD's Community Development staff to discuss their proposals in advance of application submission. Please contact Mark Southard, Community Development Manager, at (617) 573-1436 or mark.southard@state.ma.us, if you have any questions.

D. General

DHCD reserves the right to use other available information regarding an applicant's history, experience and past performance as a DHCD grantee or borrower (as applicable) when evaluating applications, including whether the applicant has:

- Met prior workplan objectives in a timely and proper manner in accordance with an approved budget, and otherwise performed effectively,
- Complied with the Terms and Conditions of previous contracts,
- Conducted due diligence, closed loans and constructed projects in accordance with applicable requirements, and
- Maintained compliance with applicable programmatic and legal requirements for any required period of affordability.

Cover Page Massachusetts Department of Housing and Community
Development

2016

Community Investment Tax Credit Program
Community Partnership and Tax Credit Allocation Application

Applicant Organization

Name:	
Address:	
Email:	
Phone:	

Amount of Credit Allocation Requested

2016 \$ _____

Community Investment Plan (CIP) Adoption status

Adopted: ____ / ____ / ____

(Signature below attests that adoption has occurred; attach documentation)

Scheduled for adoption: ____ / ____ / ____

(Scheduled adoption and submission of documentation must be within 30 days of application)

Set-Aside Applicants

	Application for selection as a Community Partner serving a Gateway Municipality
	Application for selection as a Community Partner serving a Rural Area (attach documentation)

Name and Title (Print):	
Date:	
Signature:	

**Massachusetts Department of Housing and Community Development
Community Investment Tax Credit Program
CDC Community Investment Plan (CIP)**

A complete CIP must address each of the following nine (9) elements. The Plan may reference other documents and summarize their content but must present complete responses to the required information indicated in the Section descriptions. The adopted Plan may not exceed eighteen (18) pages, not including the Cover page.

Section 1

Community or Constituency(ies) to be served by the organization

This section must clearly identify the neighborhoods, towns and/or cities to be served including population, demographics and geographic characteristics and/or identify the particular constituency(ies) to be served – population, demographics and geographic characteristics.

Section 2

Involvement of community residents and stakeholders

This section must provide a description and evidence of resident and stakeholder engagement in the organization. Describe the degree to which residents and stakeholders were engaged in the development of the Plan. Include examples of engagement activities, numbers of events, participation figures, and other quantified measures.

Describe the role residents and stakeholders have in monitoring and implementing Plan activities. Include examples of current and projected roles to be played, number and type of opportunities for involvement and the mechanisms for monitoring progress.

Section 3

Plan goals

This section must clearly identify the goals of the CIP. It must identify how low and moderate income households and other constituencies will benefit from achieving the goals, and identify how the entire community will benefit from achieving the goals

Section 4

Activities to be undertaken

This section must clearly describe the activities to be undertaken under the Plan including community development activities consistent with the Program definition of community development activities (see Submission Content, Section II.). The materials must clearly identify the expected impact the activities will have on the identified goals and the community/constituency(ies) to be served.

Section 5

How success will be measured and/or evaluated

This section must describe the tools and methodologies to be used to measure the impact/outcomes associated with undertaking the goals, programs, policies and activities in the Plan. Identify the evaluation process, the participants in the process and the role(s) they will play.

Section 6

Collaborative efforts to support implementation

This section must identify existing and proposed collaborative relationships with other stakeholders, such as nonprofits, businesses, state and municipal government. Identify known collaborators when possible. Clearly identify the role of existing and proposed collaborations in supporting implementation of the Plan including the financing strategy, as applicable.

Section 7

Integration of activities/consistency with community strategy and vision

This section must describe the interaction and interrelationship of Plan activities to be undertaken, including how the Plan fits into a larger vision or strategy for the entire community. It must describe how the Plan is consistent with other specific neighborhood, community or regional plans.

Section 8

Financing strategy

This section must describe how the CDC will finance implementation of the Plan's activities. It must demonstrate an understanding of the availability of financing sources and their applicability to implementation of the Plan. It must describe the CDC's past experience in using the proposed financing sources.

The Section should identify the level of commitment of other funding sources to implement the Plan including capacity and strategies related to donations that result from available investment tax credits.

Section 9

History, Track Record and Sustainable Development

This section must address two additional topics. It must provide a record or listing of examples demonstrating the CDC's history and track record of past practices and approaches to the financing and implementation of proposed activities in the Plan. It must also provide narrative and examples of the Plan's consistency with the Commonwealth's Sustainable Development Principles (see Exhibit 4).

Massachusetts Department of Housing and Community Development Community Investment Tax Credit Program CSO Capacity Building Proposal

A complete Capacity Building proposal must address each of the following four (4) elements. The Proposal may reference other documents and summarize their content but must present complete responses to the required information indicated in the Section descriptions. The Proposal may not exceed eight (8) pages, not including the Cover page.

Section 1

Proposed Workplan

This section must identify the existing and proposed range of services available to assist CDCs. Describe the applicability of the services to the needs of CDCs. Identify a typical services schedule during which the CSO will provide services.

Section 2

Effectiveness of the proposed activities

This section must provide evidence that the proposed activities will result in increased CDC capacity to plan and implement community development activities and attract donors. Provide evidence that the proposed capacity-building activities have proven effective for past recipients.

Section 3

Feasibility of proposed activities

This section must describe how activities will be accomplished within the proposed timeframe. Provide justification for a determination that the proposed costs are reasonable and that the organization has funding and resources sufficient to perform the proposed tasks and activities.

Section 4

Availability of staff and/or expertise to accomplish the workplan

This section must provide documentation that the CSO has sufficient staffing, with the required skills, knowledge and experience to provide capacity-building services, and/or the management ability and demonstrated experience to oversee consultants to accomplish the proposed tasks.

Sustainable Development Principles

The Commonwealth of Massachusetts shall care for the built and natural environment by promoting sustainable development through integrated energy and environment, housing and economic development, transportation and other policies, programs, investments, and regulations. The Commonwealth will encourage the coordination and cooperation of all agencies, invest public funds wisely in smart growth and equitable development, give priority to investments that will deliver good jobs and good wages, transit access, housing, and open space, in accordance with the following sustainable development principles. Furthermore, the Commonwealth shall seek to advance these principles in partnership with regional and municipal governments, non-profit organizations, business, and other stakeholders.

1. Concentrate Development and Mix Uses

Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.

2. Advance Equity

Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

3. Make Efficient Decisions

Make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.

4. Protect Land and Ecosystems

Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

5. Use Natural Resources Wisely

Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

6. Expand Housing Opportunities

Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

7. Provide Transportation Choice

Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight

transportation infrastructure that supports sound economic development consistent with smart growth objectives.

8. Increase Job and Business Opportunities

Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

9. Promote Clean Energy

Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

10. Plan Regionally

Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.